

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2101 – SB 2636

March 9, 2016

**SUMMARY OF ORIGINAL BILL:** Deletes and rewrites subsection (a) of Tenn. Code Ann. § 49-13-122, such that it requires a public charter school’s agreement to be revoked or denied renewal by its chartering authority if the school is identified as a priority school in 2017 or in any subsequent year.

Prohibits a public charter school identified as a priority school from being closed, if the school demonstrated student achievement growth of “above expectations” or greater on its Tennessee Value-Added Assessment System (TVAAS) scores in the academic year that preceded identification as a priority school.

Places public charter schools created by sponsor petition, which are codified under Tenn. Code Ann. § 49-13-106, under the revocation or nonrenewal of charter provisions, which are codified under Tenn. Code Ann. § 49-13-122. Defines community-based charter school.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – The bill could result in a shifting of funds between a charter school and an LEA depending on whether the charter school closes (resulting in funds to the LEA) or the charter school remains open (resulting in funds remaining with the charter school). The extent to which each scenario will occur is unknown, but each instance will result in a shift of funds in an amount estimated to exceed \$1,000,000.

**SUMMARY OF AMENDMENT (013168):** Deletes all language of the original bill. Prohibits public charter schools that are on the state’s priority list from closing if the school has demonstrated a student achievement level of “above expectations” on its Tennessee Value-Added Assessment System score in the academic year that immediately preceded identification as a priority school and the three years following such identification. A charter school may be closed if it receives identification as a priority school for two consecutive cycles beginning in 2017.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact - Public charter schools that would close under current law could remain open under the provisions of this amended bill. To the extent one public charter school remains open as a result of this legislation, the public charter school would retain recurring state and local BEP funding estimated to exceed \$1,000,000 that would have otherwise shifted back to the local education agency (LEA).**

Assumptions for the bill as amended:

- A shift in funding from public charter schools back to LEAs will be prevented, if a charter school that would have otherwise closed pursuant to Tenn. Code Ann. § 49-13-122, is not closed as a result of meeting the proposed TVAAS achievement score, and is not identified as a priority school for two consecutive cycles beginning in 2017.
- The exact amount of any BEP funding that would be retained by a public charter school under the provisions of this amended bill, that would shift from the public charter school to an LEA pursuant to the provisions of Tenn. Code Ann. § 49-13-122, is reasonably estimated to exceed \$1,000,000 with any such instance.
- No change in state or local BEP funding.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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